

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re)	Chapter 11
)	
W. R. Grace & Co., <u>et al.</u> , ¹)	Case No. 01-01139 (JKF)
)	
)	(Jointly Administered)
Debtors.)	
)	Objection Deadline: May 2, 2003 at 4:00 p.m.
)	Hearing Date: TBD only if necessary

**FOURTH MONTHLY FEE APPLICATION OF
WACHTELL, LIPTON, ROSEN & KATZ
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS
SPECIAL CORPORATE COUNSEL TO THE DEBTORS
FOR THE PERIOD FROM DECEMBER 1, 2002 THROUGH DECEMBER 31, 2002**

Name of Applicant:	Wachtell, Lipton, Rosen & Katz ("Applicant")
Authorized to Provide Professional Services to:	The above captioned debtors and debtors in possession

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.) CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a/ Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a/ Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.,), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a/ Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Company.

Date of Retention: May 3, 2001 (nunc pro tunc to April 2, 2001)

Period for which compensation and reimbursement is sought: December 1, 2002 through December 31, 2002 (the "Fourth Fee Period")

Amount of Compensation sought as actual, reasonable, and necessary: \$19,270.50

Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$771.14

This is a XX monthly ___ interim ___ final application.

Prior Applications filed:

Application	Date Filed	Period Covered	Fees Requested	Expenses Requested	Fees Approved	Expenses Approved
"First Fee Application"	November 19, 2002	April 2, 2001 – September 30, 2002	\$147,341.50	\$24,879.53		
"Second Fee Application"	Contemporaneously herewith	October 1, 2002 – October 31, 2002	\$1,775.00	\$87.60		
"Third Fee Application"	Contemporaneously herewith	November 1, 2002 – November 30, 2002	\$15,011.25	\$251.91		

Name of Professional or Paraprofessional Person	Position with the Applicant and Number of Years in That Position; Year of Obtaining Relevant License to Practice	Hourly Billing Rate	Total Billed Hours	Total Compensation
Peter C. Canellos	Tax Partner since 1977/ 26 years at Applicant/ admitted to Bar in 1967	\$750	1.50	\$1,125.00
Deborah L. Paul	Tax Partner since 2001/ 5 years at Applicant/ admitted to Bar in 1991	\$425	30.00	\$12,750.00
David J. Passey	Tax Associate/ 1 year at Applicant/ admitted to Bar in 2000	\$330	15.00	\$4,950.00
Margaret Garnett	Creditors' Rights Associate/ 2 years at Applicant/ admitted to Bar in 2001	\$275	1.00	\$275.00
Elizabeth Grunwald	Reference Librarian/ 5 years at Applicant/NA	\$95	1.40	\$133.00
Robinson Strauss	Paralegal/ 2 years at Applicant/NA	\$125	0.30	\$37.50
	Total:		49.20	\$19,270.50
	Blended Rate:			\$402.11 per hour

Contemporaneous time records of all such professionals are attached hereto as Exhibit A. Applicant has determined not to apply for allowance of compensation for certain of the services shown on Exhibit A.

COMPENSATION BY PROJECT CATEGORY
December 1, 2002 through December 31, 2002

<u>Project Category</u>	<u>Total Hours</u>	<u>Total Fees Requested</u>	<u>Total Disbursements Requested</u>
11 – Fee Applications, Applicant	0.30	\$37.50	\$0.00
18 – Tax Issues	48.90	\$19,233.00	\$771.14

EXPENSE SUMMARY

<u>Expense Category</u>	<u>Service Provider (if applicable)</u>	<u>Total Expenses</u>
Duplicating		\$83.55
Local Travel—Attorneys	Fone-A-Car; Charge & Ride	\$75.44
Local Travel—Staff		\$10.30
Local Travel—Night Word Processing/Proofreading	Fone-A-Car; 6 th Parking	\$55.40
Proofreading		\$70.00
Westlaw Recovery	Westlaw	\$208.52
LEXIS Research	LEXIS	\$206.58
Meals—Attorneys	Seamless Web Professional Solutions;	\$58.10
O/S Library	New York Law Institute	\$3.25
TOTAL		\$771.14

Expense details are attached hereto as Exhibit B.

Dated: New York, New York
April 7, 2003

WACHTELL, LIPTON, ROSEN & KATZ

By 

Harold S. Novikoff
A Member of the Firm
51 West 52nd Street
New York, New York 10019
(212) 403-1000

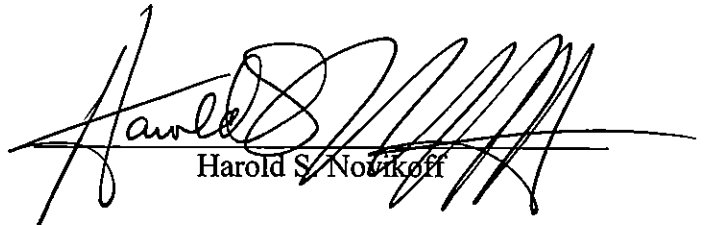
Special Corporate Counsel to the Debtors

VERIFICATION

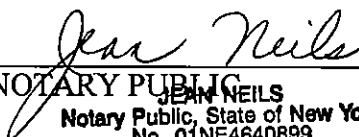
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Harold S. Novikoff, after being duly sworn according to law, deposes and says:

1. I am a member of the applicant firm, Wachtell, Lipton, Rosen & Katz ("Wachtell, Lipton").
2. I have personally performed some of the legal services rendered by Wachtell, Lipton, and am generally familiar with the other work performed on behalf of the Debtors by the lawyers and paraprofessionals of Wachtell, Lipton, as special corporate counsel to the Debtors.
3. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed the Local Bankruptcy Rules for the District of Delaware and the Amended Administrative Order Under 11 U.S.C. §§105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, signed April 17, 2002, and submit that the Application substantially complies with such rules and Order.


Harold S. Novikoff

SWORN and SUBSCRIBED
before me this 7th day of April, 2003.


NOTARY PUBLIC
JEAN NEILS
Notary Public, State of New York
No. 01NE4640899
Qualified in Bronx County
Certificate Filed In New York County
Commission Expires November 30, 2005
Notary Public, State of New York
No. _____
Qualified in _____ County
Commission Expires _____

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-1139 (JKF)
) Jointly Administered
Debtors.)

Objection Deadline: April 16, 2003 at 4:00 p.m.
Hearing Date: TBD only if necessary

**FEE DETAIL FOR WACHTELL, LIPTON, ROSEN
& KATZ, L.L.P.'S MONTHLY FEE APPLICATION FOR
THE PERIOD FROM DECEMBER 1, 2002 THROUGH DECEMBER 31, 2002**

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Exhibit A

Client Number: 03901

Client Name: W.R. GRACE & COMPANY

Report Description: Unbilled Recap of Time [03/31/2003 10:03:04 AM]

	Date	Initials	Name / Invoice Number	Hours	Amount	Description	Matter Number	Index
1	12/02/2002	0212	Peter C. Canellos	0.50	375.00	Review of tax aspects of reorganization.	03901-0005	1749699
2								
3	12/02/2002	0288	Deborah Paul	5.10	2,167.50	Conf. w/Filon (2.0); conf. w/Passey (2.1);	03901-0005	1760095
4						analyze JV structure (1.0).		
5								
6	12/03/2002	0212	Peter C. Canellos	1.00	750.00	Review of tax aspects of reorganization.	03901-0005	1749707
7								
8	12/03/2002	0288	Deborah Paul	4.60	1,955.00	Analyze treatment of Fresenius and Sealed Air	03901-0005	1760095
9						payments.		
10								
11	12/07/2002	0698	David Passey	1.50	495.00	Research cancellation of indebtedness rules	03901-0005	1747514
12						under Section 108.		
13								
14	12/09/2002	0288	Deborah Paul	1.90	807.50	Analyze tax treatment of Fresenius and Sealed	03901-0005	1760121
15						Air payments.		
16								
17	12/10/2002	0698	David Passey	1.00	330.00	Call with Grace re cancellation of	03901-0005	1747522
18						indebtedness.		
19								
20	12/10/2002	2258	Robinson Strauss	0.30	37.50	Updating of files; review of docket re: Fee App	03901-0007	1763725
21								
22	12/11/2002	0288	Deborah Paul	3.10	1,317.50	Analyze tax treatment of Fresenius and Sealed	03901-0005	1760127
23						Air payments.		
24								
25	12/11/2002	2839	Elizabeth Grunwald	0.70	66.50	Printed 1996 Income Tax Regulations containing	03901-0005	1761891
26						section 502 on consolidated returns, arranged		
27						for hard copy of same. (Passey)		
28								
29	12/11/2002	0698	David Passey	3.00	990.00	Research 1996 consolidated rules under	03901-0005	1766214
30						Arrowhead.		
31								
32	12/12/2002	0684	Margaret Garnett	1.00	275.00	Disc. w/D. Passey & follow-up.	03901-0005	1758354
33								
34	12/12/2002	0288	Deborah Paul	2.70	1,147.50	Analyze tax treatment of Fresenius and Sealed	03901-0005	1760132
35						Air payments.		
36								
37	12/12/2002	0698	David Passey	3.00	990.00	Research potential for recharacterization under	03901-0005	1766219
38						Arrowsmith and implications of the fraudulence		
39						conveyance nature of the settlement payment.		
40								
41	12/13/2002	0288	Deborah Paul	1.90	807.50	Analyze tax treatment of Fresenius and Sealed	03901-0005	1760139
42						Air payments.		
43								
44	12/16/2002	0288	Deborah Paul	2.60	1,105.00	Analyze tax treatment of Fresenius and Sealed	03901-0005	1760141
45						Air payments.		
46								
47	12/16/2002	0698	David Passey	2.50	825.00	Draft internal memo re alternatives	03901-0005	1766221
48						characterizations of settlement payment.		
49								
50	12/17/2002	0288	Deborah Paul	2.80	1,190.00	Analyze tax treatment of Fresenius and Sealed	03901-0005	1760146
51						Air payments.		
52								
53	12/17/2002	0698	David Passey	3.00	990.00	Research alternative characterizations of	03901-0005	1766224
54						settlement payment.		
55								
56	12/18/2002	0288	Deborah Paul	4.10	1,742.50	Analyze tax treatment of Fresenius and Sealed	03901-0005	1760149
57						Air payments.		
58								
59	12/18/2002	2839	Elizabeth Grunwald	0.70	66.50	Send legislative history, article from Tax	03901-0005	1761927
60						Notes Today and Treasury decision. (Passey)		
61								
62	12/18/2002	0698	David Passey	1.00	330.00	Conf. with D. Paul (.2); research tax treatment	03901-0005	1766227
63						and treatment of settlement payments (.8).		
64								
65	12/19/2002	0288	Deborah Paul	1.20	510.00	Analyze tax treatment of Fresenius and Sealed	03901-0005	1749846
66						Air payments.		
67								
68			UNBILLED TOTALS: WORK:	49.20	19,270.50	23 records		
69			UNBILLED TOTALS: BILL:	49.20	19,270.50			
70								
71			GRAND TOTALS: WORK:	49.20	19,270.50	23 records		
72			GRAND TOTALS: BILL:	49.20	19,270.50			

Exhibit B

Client Name: W.R. GRACE & COMPANY
Report Description: Unbilled Recap of Cost [03/31/2003 10:02:56 AM]

	Date	Initials	Name / Invoice Number	Code	Quantity	Rate	Amount	Description
1	12/02/2002	0288	Deborah Paul	010	449.00	0.15	67.35	Duplicating
2								
3	12/02/2002	0698	David Passey	035	1.00	13.88	13.88	2570935
4								12/02/0020
5								Mangia (48th St.)
6								Order by -Passey David
7			Voucher=303875 Paid					Vendor=SEAMLESSWEB PROFESSIONAL SOLUTIONS Balance=.00 Amount=
8								
9	12/02/2002	0288	Deborah Paul	015	1.00	18.36	18.36	PAUL Fone-A-Car VCH#712074
10								Fr:M5 51 W 52 ST To:M5 23/6AV
11								Ph: .36 Time: 1041P
12								CAR #: 46
13			Voucher=303889 Paid					Vendor=PHONE-A-CAR, INC. Balance=.00 Amount=29209.87
14								
15	12/02/2002	0698	David Passey	029	1.00	7.50	7.50	Westlaw Recovery
16								Westlaw user name/ID: PASSEY,DAVID/3514908
17								total for service: 7.50
18								
19	12/07/2002	0698	David Passey	035	1.00	14.22	14.22	2619400
20								12/07/0020
21								Manhattan Chili Company (53rd/
22								Order by -Passey David
23			Voucher=303875 Paid					Vendor=SEAMLESSWEB PROFESSIONAL SOLUTIONS Balance=.00 Amount=
24								
25	12/07/2002	0698	David Passey	029	1.00	45.52	45.52	Westlaw Recovery
26								Westlaw user name/ID: PASSEY,DAVID/3514908
27								total for service: 45.52
28								
29	12/07/2002	0698	David Passey	029	1.00	155.50	155.50	Westlaw Recovery
30								Westlaw user name/ID: PASSEY,DAVID/3514908
31								total for service: 155.50
32								
33	12/11/2002	0698	David Passey	138	1.00	30.00	30.00	Attorney Dinners - In House
34								
35	12/11/2002	0698	David Passey	055	1.00	3.25	3.25	O/S Library - Vendor:NEW YORK LAW INSTITUTE
36			Voucher=310213 Paid					Vendor=NEW YORK LAW INSTITUTE Balance=.00 Amount=3.00
37								
38	12/12/2002	0698	David Passey	033	1.00	206.58	206.58	Lexis Research
39								Lexis user name/ID: PASSEY, DAVID/KPDVQHT
40								
41	12/14/2002	4106	Barbara Lewis	023	1.00	20.40	20.40	LEWIS Fone-A-Car VCH#269063
42								Fr:M8 308 E 93 ST To:M5 51 W 52 ST
43								Ph: .40 Time: 1120P
44								CAR #: 73
45			Voucher=304825 Paid					Vendor=PHONE-A-CAR, INC. Balance=.00 Amount=2613.77
46								
47	12/14/2002	0598	Adam Shapiro	028	2.00	35.00	70.00	Proofreading
48								
49	12/15/2002	4077	Lorraine Blake	023	1.00	35.00	35.00	Ticket Number: 206350
50								Time In/Out: P3.52/A12.13
51			Voucher=308214 Paid					Vendor=1330 SIXTH PARKING LLC Balance=.00 Amount=2899.00
52								
53	12/16/2002	4077	Lorraine Blake	017	1.00	10.30	10.30	Travel - Local Staff - Vendor:WACHTELL, LIPTON,
54								ROSEN & KATZ
55			Voucher=304241 Paid					Vendor=WACHTELL, LIPTON, ROSEN & KATZ Balance=.00 Amount=2
56								
57	12/16/2002	0698	David Passey	010	47.00	0.15	7.05	Duplicating
58								
59	12/16/2002	0698	David Passey	015	1.00	28.54	28.54	PASSEYCharge-N-Ride V#: 566197 Fr:MH 51 W 52ND
60								To:QU-11102 Time: 20:00P
61			Voucher=307071 Paid					Vendor=CHARGE & RIDE, INC. Balance=.00 Amount=2100.83
62								
63	12/17/2002	0698	David Passey	015	1.00	28.54	28.54	PASSEY Charge-N-Ride V#: 567817
64								Fr:MH 51 W 52ND To:QU-11102
65								Time: 19:30P
66			Voucher=306928 Paid					Vendor=CHARGE & RIDE, INC. Balance=.00 Amount=1822.37
67								
68	12/17/2002	0698	David Passey	035	1.00	8.79	8.79	Meals - Attorneys - Vendor:HALE AND HEARTY
69								SOUPS

Client Name: W.R. GRACE & COMPANY
 Report Description: Unbilled Recap of Cost [03/31/2003 10:02:56 AM]

	Date	Initials	Name / Invoice Number	Code	Quantity	Rate	Amount	Description
70			Voucher=308849 Paid					Vendor=HALE AND HEARTY SOUPS Balance=.00 Amount=8.79
71								
72	12/17/2002	0698	David Passey	035	1.00	-8.79	-8.79	Meals - Attorneys - Vendor.HALE AND HEARTY
73								SOUPS
74			Voucher=308849 Paid					Vendor=HALE AND HEARTY SOUPS Balance=.00 Amount=8.79
75								
76	12/18/2002	0288	Deborah Paul	010	8.00	0.15	1.20	Duplicating
77								
78	12/18/2002	0288	Deborah Paul	010	30.00	0.15	4.50	Duplicating
79								
80	12/18/2002	0288	Deborah Paul	010	23.00	0.15	3.45	Duplicating
81								
82			UNBILLED TOTALS: WORK:				771.14	22 records
83			UNBILLED TOTALS: BILL:				771.14	
84								
85			GRAND TOTAL: WORK:				771.14	22 records
86			GRAND TOTAL: BILL:				771.14	